

AMERICAN FLETCHER LEASING CORPORATION

100 SOUTH WACKER DRIVE, SUITE 2036

CHICAGO, ILLINOIS 60606

Telephone 346-5339 Area Code 312

April 29, 1974

RECORDATION NO. 7581
Filed & Recorded
JUL 16 1974 - 8 55 AM
INTERSTATE COMMERCE COMMISSION

Green Bay and Western Railroad Company
Post Office Box 2507
Green Bay, Wisconsin 54305

Attention: Mr. Clarence H. Halvorson

Re: That certain Equipment Lease Agreement
dated April 24, 1974

Gentlemen:

It is hereby agreed by and between American Fletcher Leasing Corporation ("AFLC") and Green Bay and Western Railroad Company ("Green Bay") that the Equipment Lease Agreement dated as of April 24, 1974 ("Lease") shall be hereby amended as follows:

Schedule C to the Lease shall be modified to include under the column entitled "Period of Term of Lease" an "Interim Rental Period" (through December 31, 1974) with a corresponding "Percentage" of 100.300 and, therefore, the "1st Quarter Percentage" shall be applicable on January 1, 1975.

If the above is in agreement with our understanding, please signify your concurrence by executing five copies hereof and return three to AFLC.

Very truly yours,

AMERICAN FLETCHER LEASING CORPORATION

By *Carroll* V.P.

Agreed to and accepted this
28 day of June,
1974.

GREEN BAY AND WESTERN RAILROAD COMPANY

By *D. H. H. H.*

EQUIPMENT LEASE AGREEMENT, dated as of April 24, 1974, between American Fletcher Leasing Corporation, an Illinois corporation, (hereinafter referred to as "Lessor") and Green Bay and Western Railroad Company, a Wisconsin corporation, (hereinafter referred to as "Lessee")

WHEREAS, Lessor has acquired all right, title and interest in certain railroad equipment (hereinafter called the "Hulks") from Chicago Freight Car Company (hereinafter called "Chicago Freight") pursuant to a Hulk Purchase Agreement (hereinafter called the "Hulk Purchase Agreement"), dated as of April 24, 1974, which Hulks are leased hereunder; and

WHEREAS, the Hulks have been or will be delivered to Chicago Freight; and

WHEREAS, Lessee has issued a certain purchase order to Chicago Freight for the rebuilding of such Hulks; and

WHEREAS, Lessee has assigned to Lessor certain rights of Lessee under such purchase order (including the right to have the Equipment rebuilt in accordance with the terms thereof) pursuant to a Purchase Order Assignment dated as of even date herewith; and

WHEREAS, Chicago Freight has consented to said Purchase Order Assignment; and

WHEREAS, the Lessor and the Lessee are entering into this Agreement for the leasing of the rebuilt Hulks (hereinafter individually referred to as "Unit" and collectively as "Units" or "Equipment") to the Lessee, which Agreement will be filed with

the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act (49 U.S.C. 20c); and

WHEREAS, the Lessor desires to lease the Equipment to Lessee, and Lessee desires to lease the same from Lessor, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings herein contained, Lessor and Lessee hereby agree as follows:

I. LEASE OF EQUIPMENT

1.1 Lease. Subject to the terms and conditions of this Agreement, Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the Equipment; provided, however, that Lessor shall have no obligation to purchase for, and lease to Lessee any Unit that shall not have been delivered to Lessor by Chicago Freight to, and accepted by Lessee by December 31, 1974, or any Unit, if the original cost thereof to Lessor when added to the original cost to Lessor of Units previously leased hereunder exceeds \$2,800,000.00. Simultaneously with the acceptance of Units by Lessee, or at such time or times following acceptance thereof as Lessor may reasonably specify to Lessee, Lessor and Lessee shall enter into a Supplement to Lease Agreement substantially in the form of Schedule B hereto (hereinafter referred to as a "Supplement") which Supplement will identify the Units then being accepted and will confirm that the same have been accepted by Lessee under the terms of this Agreement and have been leased by Lessor to Lessee pursuant

to the terms of this Agreement. Lessee hereby agrees that it shall accept each and every Unit following a reasonable opportunity to inspect each such Unit, if each such Unit conforms to the specifications set forth in the purchase order therefor, and in no event shall Lessee unreasonably withhold its acceptance. The determination of how many Units are to be covered by a Supplement shall be made by Lessor in its sole discretion. Each Unit shall be subject to this Agreement immediately upon acceptance thereof notwithstanding the fact that a Supplement relating thereto shall not have been entered into until a date subsequent to the date of such acceptance. Notwithstanding the acceptance and delivery of Units to, and their possession and use by, Lessee, Lessor shall and does hereby retain the full legal title to and property in the same, it being expressly understood that this Agreement is an agreement of lease only.

1.2 Term of Lease. The term of lease for each Unit shall commence on the date of acceptance thereof (as confirmed in the Supplement hereto relating to such Unit) and, unless sooner terminated as provided herein, shall terminate on December 31, 1984. This Agreement may not be terminated by Lessor except as expressly provided herein and may not be terminated or cancelled by Lessee for any reason whatsoever, unless otherwise expressly provided herein. If such term is extended the phrase "term of lease", as used in this Agreement, shall be deemed to include the extended term.

1.3 Rental Payments.

1.3.1 Base Quarterly Rent. Lessee covenants and agrees to pay to the Lessor (i) two (2) interim rent payments in arrears, payable on September 30, 1974 and December 31, 1974, and (ii) as rental for each Unit hereunder forty (40) consecutive quarter-annual payments in arrears, each of which shall be payable on December 31, March 31, June 30 and September 30, in each year, commencing March 31, 1975, provided, however, that if any of the payment dates referred to above is not a business day, the payment shall be payable on the next succeeding business day. The interim rent payment shall be in an amount equal to .0554% of the original cost of each Unit (as specified in the Supplement relating to such Unit) subject to the lease for each day elapsed from and including the date each such Unit is delivered to and accepted by the Lessee to and including December 31, 1974. The first ten (10) quarter-annual payments for each Unit subject to this Lease commencing on March 31, 1975, shall each be in an amount equal to 4.982% of the original cost of each Unit subject to this Lease. The next twenty (20) quarter-annual payments for each Unit subject to this Lease commencing on September 30, 1977 shall each be in an amount equal to 3.655% of the original cost of each Unit subject to this Lease. The last ten (10) quarter-annual payments for each Unit subject to this Lease commencing on September 30, 1982 shall each be in an amount equal to 1.33% of the original

cost of each Unit subject to this Lease. The phrase "original cost of each Unit" as used in this Agreement as to a Unit or Units shall be deemed to mean the sum of the following, as invoiced by Chicago Freight to Lessor from time to time: (i) the cost of a Hulk under the Hulk Purchase Agreement and (ii) the cost of reconstructing a Hulk pursuant to a certain Purchase Order issued by Lessee to Chicago Freight.

1.3.2 Additional Rent.

(a) Loss of Depreciation or Deductions.

Lessee understands and agrees that the Base Rent provided in subsection 1.3.1 hereof is established on the assumption that Lessor will be entitled to use (i) an accelerated method of depreciation (to be deemed to mean the double declining balance method and/or the sum of the years' digits method) with respect to all of the Equipment for Federal income tax purposes, which among other requirements shall include being that the original use of the reconstruction cost of each and every Unit must commence with the Lessor (as that term is used in Section 167(c) of the Internal Revenue Code of 1954), and (ii) an asset depreciation period of twelve (12) years pursuant to the applicable Revenue Procedure. Accordingly, Lessee agrees that in the event Lessor shall not be entitled to use any such accelerated method and/or said asset depreciation period with respect to any Unit, as a result of any acts or omissions by Lessee and/or as a result of Lessor not being so deemed the original user of such Unit,

the Base Rent for such Unit shall each be increased, retroactive to the date of commencement of the term of lease for such Unit, by an amount equal to .577% of the original cost of each Unit and, in addition, Lessee shall pay to Lessor interest at the rate of eight percent (8%) per annum on the additional rental applicable to each Base Rent previously made, from the date on which such Base Rent was payable to the date on which such additional rent is paid..

(b) Loss of Investment Tax Credit. Lessee understands and agrees that the Base Rent provided in subsection 1.3.1 hereof is also established on the assumption that Lessor will be entitled to use the benefits of the investment tax credit allowed by Section 38 and subsequent sections of the Internal Revenue Code of 1954 for "new section 38 property" with respect to all of the Equipment for Federal income tax purposes, the amount of which tax credit, for the purposes hereof, shall be equal to seven percent (7%) of the original cost of the reconstructed portion of each and every Unit. Accordingly, Lessee agrees that in the event Lessor shall not be entitled to use the benefits of said investment tax credit, with respect to any Unit, as a result of any acts or omissions by Lessee and/or as a result of such Unit not being deemed "new section 38 property" (as such term is used in Section 48(b) of the Internal Revenue Code of 1954) in Lessor's hands, the Base Rent for such Unit shall each be increased, retroactive to the date of commencement of the

term of lease for such Unit, by an amount equal to .4157% of the original cost and, in addition, Lessee shall pay to Lessor interest at the rate of eight percent (8%) per annum on the additional rental applicable to each Base Rent previously made, from the date on which said Base Rent was payable to the date on which said additional rent is paid.

1.3.3 Late Payment. In the event that any Rental Payment or other payment hereunder shall not be made promptly when due, Lessee shall pay to Lessor upon written demand by Lessor, as additional rental, interest on such overdue payment, from the due date of such payment to the date of payment thereof, at the rate of ten percent (10%) per annum.

1.3.4 Place of Payment. All rental and other payments required to be made by Lessee to Lessor hereunder shall be made in immediately available funds to Lessor at 100 South Wacker Drive, Chicago, Illinois 60606 or at such other place as Lessor may designate in writing to Lessee.

II. REPRESENTATIONS AND WARRANTIES

2.1 Lessor's Warranties; Disclaimers.

2.1.1 Warranties. Lessor hereby represents and warrants to Lessee that (i) Lessor is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois, (ii) Lessor has the right to lease the Equipment to Lessee in accordance with the terms of this Agreement, and (iii) this Agreement has been duly authorized, executed and

delivered by Lessor and constitutes the legal, valid and binding obligation of Lessor in accordance with its terms and (iv) there are no mortgages, liens, charges or encumbrances on or against the Equipment by, through or under Lessor except for the rights of Lessee hereunder.

2.1.2 Disclaimers. The warranties set forth in subsection 2.1.1 hereof are exclusive and in lieu of all other warranties of Lessor whether written, oral or implied; and Lessor shall not, by virtue of having purchased for, and leased the Equipment to, Lessee under this Agreement, or having executed and delivered any bill or bills of sale pursuant to this Agreement, be deemed to have made any representation, warranty or covenant with respect to the merchantability, fitness, condition, quality, durability or suitability of any Unit in any respect or in connection with or for the purposes and uses of Lessee, AND LESSOR HEREBY DISCLAIMS ANY OTHER REPRESENTATION OR WARRANTY OF ANY NATURE, EITHER EXPRESSED OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDERS RELATING THERETO, IT BEING UNDERSTOOD THAT LESSEE ACCEPTS THE EQUIPMENT FOR THE PURPOSES HEREOF "AS IS"; it being agreed, however, that Lessor authorizes Lessee to assert for Lessor's account, during the term of lease,

all of Lessor's rights under any manufacturer's warranty on the Equipment, at Lessee's expense, but Lessee shall indemnify and hold harmless Lessor from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith, as a result of, or incident to any action by Lessee pursuant to the above authorization.

2.2 Lessee's Warranties. Lessee hereby represents and warrants to Lessor as follows:

2.2.1 Organization, Corporate Power, etc. Lessee (i) is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, (ii) is qualified to do business in every jurisdiction in which such qualification is necessary and (iii) has the corporate power and authority to own its properties and to carry on its business as now being conducted and to execute and perform this Agreement.

2.2.2 Validity of Lease. The execution, delivery and performance by Lessee of this Agreement have been duly authorized by all requisite corporate action and will not violate any provision of law, any order of any court or other agency of government, the Certificate or Articles of Incorporation or By-Laws of Lessee, or any indenture, agreement or other instrument to which it is a party, or by which it or any of its property is bound, or result in a breach of or constitute (with due notice and/or lapse of

time) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of its property or assets; and this Agreement constitutes the legal, valid and binding obligation of Lessee in accordance with its terms.

2.2.3 Financial Statements. All balance sheets, statements of profit and loss and other financial data that have been given to Lessor with respect to Lessee (i) are complete and correct in all material respects, (ii) accurately present the financial condition of Lessee as of the dates, and the results of its operations for the periods, for which the same have been furnished, and (iii) have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods covered thereby (except as noted therein); all balance sheets disclose all known liabilities, direct and contingent, as of their respective dates; and there has been no change in the condition of Lessee, financial or otherwise, since the date of the most recent financial statements given to Lessor with respect to Lessee other than changes in the ordinary course of business, none of which changes has been materially adverse.

2.2.4 Other Information. To the best of Lessee's knowledge and belief, all other written information, reports, papers and data given to Lessor with respect to Lessee are accurate

and correct in all material respects and complete insofar as completeness may be necessary to give Lessor a true and accurate knowledge of the subject matter.

2.2.5 Other Agreements. Lessee is not a party to any agreement or instrument materially and adversely affecting its present or proposed business, properties or assets, operation or condition, financial or otherwise; and Lessee is not materially in default in the performance, observance or fulfillment of any obligations, covenants or conditions set forth in any agreement or instrument to which it is a party.

2.2.6 Taxes. Lessee has filed all Federal, State, county and municipal income tax returns required to have been filed by it and has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by it (except taxes which Lessee is contesting in good faith), and Lessee does not know of any basis for additional assessment in respect of such taxes.

2.2.7 Litigation. There is not now pending against or affecting Lessee, nor to its knowledge is there threatened, any action, suit or proceeding at law or in equity or by or before any administrative agency which if adversely determined would materially impair or affect its financial condition or operation except as disclosed in the December 31, 1973 financial statement of Lessee and except as disclosed by letter to Lessor dated March 12, 1973 or otherwise disclosed in writing to Lessor.

2.2.8 Interstate Commerce. The Equipment is to be used exclusively in interstate commerce.

III. COVENANTS OF LESSEE

3.1 Payment of Rent and Other Monies. Lessee shall promptly pay Lessor all rentals and other payments payable by it under this Agreement without asserting any setoff, counterclaim or other defense for any reason whatsoever.

3.2 Use of Equipment.

3.2.1 Operation. Lessee shall use and operate the Equipment (i) in a careful and proper manner, (ii) solely in the conduct of its business, or in the business of any parent, subsidiary or affiliated corporation of Lessee to the extent permitted under the provisions of Section 3.9 hereof, (iii) in a manner and for the use contemplated by the manufacturer thereof and (iv) in compliance with (A) all laws, rules and regulations of every governmental authority having jurisdiction over the Equipment and (B) the provisions of all policies of insurance carried by Lessee pursuant to Section 3.6 hereof. In no event shall Lessee utilize the Equipment in such a way so as to subject the same and/or this Agreement to the terms and provisions of the Renegotiation Act of 1951 (50 U.S.C. SS 1211-1233) as may be amended from time to time. Lessee shall not, without the prior written consent of Lessor, affix or install any part, accessory or device on any Unit if the same will impair the originally intended function or use of such Unit.

Lessee shall pay all costs, expenses, fees and charges incurred in connection with the use and operation of the Equipment.

Lessee hereby represents and agrees to use the Units in accordance and, in conformance with the provisions of Section 48(a)(2)(B)(ii) of the Internal Revenue Code of 1954 and Treasury Regulation 1.48-1(g)(2)(ii), as the same may be amended from time to time, in order that the Units shall be deemed at all times to be "section 38 property".

3.2.2 Compliance. The Lessee agrees, for the benefit of the Lessor, to comply in all respects with all laws of the jurisdictions in which the Units may be operated, with the interchange rules of the Association of American Railroads, if applicable, and with all lawful rules of the Department of Transportation and the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units. In the event that such laws or rules require the alteration of the Units or in case any equipment or appliance on any such Unit shall be required to be changed or replaced or in case any additional or other equipment or appliance is required to be installed on such Unit in order to comply with such laws and rules, the Lessee agrees to make such alterations, changes, additions and replacements at its own expense; and the Lessee agrees at its own expense to use, maintain and operate such Unit in full compliance with such laws and rules so long as it is subject to this Lease; provided, however, that the Lessee, upon notice

to the Lessor, may, in good faith, contest the validity or application of any such law or rules in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the property or rights of the Lessor hereunder.

3.3 Maintenance. Lessee shall, at its own cost and expense, maintain, service and repair the Equipment so as to keep it in as good operating condition, order, repair and appearance as it was when it first became subject to this Agreement, ordinary wear and tear excepted. Lessee shall, at its own cost and expense and within a reasonable period of time replace all parts of any Unit that may become worn out, lost, destroyed or otherwise rendered permanently unfit for use with appropriate replacement parts, free and clear from any mortgage, lien, charge or encumbrance (and title thereto shall vest in Lessor immediately upon installation, attachment or incorporation of the same in, on or into such Unit).

3.4 Taxes. In addition to the rentals and other amounts payable by Lessee under this Agreement, Lessee shall pay promptly all taxes, assessments, license fees and governmental charges, municipal, state, and Federal (hereinafter referred to as "Imposts"):

(a) levied or assessed against Lessee (i) in respect of this Agreement or the purchase orders or sales contracts issued in connection with the purchase of the Equipment and/or Hulks, (ii) upon the interest of the Lessee in the Equipment and/or Hulks, (iii) upon the use or operation thereof, or (iv) upon the earnings of Lessee arising therefrom; or

(b) levied or assessed against Lessor (i) on account of the purchase, lease, ownership, possession, maintenance, delivery, or return of the Equipment and/or the Hulks, (ii) on account of or measured by the use or operation thereof, or (iii) on account of or measured by the earnings, rentals or gross receipts arising therefrom, excluding, however, any income taxes payable by Lessor to the United States or any state or political subdivision thereof (except any such tax which is in substitution for, or relieves Lessee from the payment of, any tax or other charge for which Lessee would otherwise be obligated to pay as provided herein), but including any excise, sales, use or similar tax imposed on Lessor, solely on account of the use or sale (except a sale pursuant to subsection 4.3.2 of this Agreement) of the Equipment and/or the Hulks by, to or for the account of Lessee hereunder, provided, however, that Lessee shall not be required to pay any such Impost if and so long as it shall in good faith, with due diligence and by appropriate legal or administrative proceedings contest the validity, applicability or amount thereof. If the claim is made against Lessor for any Impost payable by Lessee hereunder, Lessor shall promptly notify Lessee, and if Lessor pays the same, Lessee will promptly reimburse Lessor therefor. If any Impost payable by Lessee hereunder is, by law, to be assessed or billed to Lessor, Lessee shall, at its expense, do any and all things required to be done by Lessor in connection with

the levy, assessment, billing or payment thereof; and Lessor hereby authorizes Lessee to act for and on behalf of Lessor in connection therewith but Lessee shall indemnify and hold harmless Lessor from and against any and all claims and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith, as a result of, or incident to, any action by Lessee pursuant to the above authorization. Lessee shall cause all billing of Imposts levied against Lessor to be made to it in care of Lessee, and shall, from time to time, on request of Lessor, submit written evidence of the payment of such Imposts.

3.5 Loss of Equipment.

3.5.1 Risk of Loss. Lessee shall bear the risk of the Equipment being lost, destroyed or otherwise rendered permanently unfit or unavailable for use (hereinafter called an "Event of Loss") after its delivery to and acceptance by Lessee hereunder. For the purposes of this Agreement, a Unit shall be deemed to have been otherwise rendered permanently unfit or unavailable for use, without limiting the general meaning of such phrase, if any such Unit shall have been (i) confiscated, condemned or taken by any governmental body, de facto or de jure, by exercise of the power of eminent domain or otherwise, (ii) damaged to such an extent rendering repair impracticable or uneconomic or (iii) stolen or misappropriated and not recovered by Lessee within sixty (60) days after discovery or notice thereof.

3.5.2 Event of Loss. If an Event of Loss shall occur with respect to any Unit, Lessee shall promptly notify Lessor thereof and shall pay to Lessor on or before the tenth (10th) day after the first to occur of:

(i) the date on which the 60-day period following the occurrence of such an Event of Loss shall have expired, and

(ii) the date on which there shall be made any payment of any proceeds of insurance or of any condemnation, confiscation or other taking in respect thereof, or the date on which any underwriter of insurance on the Equipment shall advise Lessor or Lessee that it disclaims liability in respect of such Event of Loss if it disclaims liability, an amount equal to the Stipulated Loss Value of such Unit determined as of the date of payment by Lessee in accordance with Schedule C hereto (to the extent the same has not theretofore been paid to Lessor as the proceeds of insurance or of any condemnation, confiscation or other taking in respect thereof).

quarterly rental In such an event, Lessee shall continue to pay the ~~Rental~~ payment applicable to such Unit until the date on which Lessor receives payment in full of the Stipulated Loss Value of such Unit, as provided in this subsection 3.5.2, whereupon Lessee's obligations to pay the same shall terminate except with respect to the quarterly rental ~~Rental~~ Payments accrued (on a daily basis) and unpaid at the date of such termination. The quarterly

rental payment applicable to a Unit shall be in an amount equal to the product of (i) the total quarterly rental payment to be made under the Supplement relating to such Unit (determined in accordance with the provisions of Section 1.3.1 hereof), and (ii) a fraction (a) the numerator of which is the original cost of such Unit, and (b) the denominator of which is the original cost of all of the Units covered by such Supplement. The original cost of any Unit shall be the cost thereof confirmed in the Supplement relating thereto.

3.5.3 Disposition of Insurance and Other Proceeds.

The proceeds of insurance (except as provided in Section 3.6 hereof) or of any confiscation, condemnation or other taking in respect of a Unit as to which an Event of Loss has occurred shall be paid to and retained by Lessor. Except as provided in Section 3.6 hereof, the proceeds of insurance in respect to damage to a Unit, the repair of which is practicable shall be paid to Lessor and, unless an Event of Default hereunder has occurred and is continuing, shall be applied either to such repair or to the reimbursement of Lessee for the cost of such repair, at the election of Lessee, after such repair has been made and such Unit has been restored to good operating condition.

3.6 Insurance.

3.6.1 Coverage. Lessee will carry with insurers of recognized responsibility comprehensive public liability and property damage insurance in respect of the operation and use

of the Equipment, in an amount not less than \$500,000 for each occurrence.

3.6.2 Policy Provisions. Lessee shall cause each insurance policy issued pursuant to the requirements of subsection 3.6.1 hereof to provide, and the insurer issuing such policy to certify to Lessor as follows: as to public liability and property damage insurance, that (i) Lessor, as owner and Lessor of the Equipment, is an additional insured thereunder, (ii) all provisions of such policy, except the limits of liability, will operate in the same manner as if there were a separate policy covering each insured and (iii) if such policy be cancelled or materially changed for any reason whatsoever such insurer will promptly notify Lessor and such cancellation or change will not be effective for thirty (30) days after notice to Lessor.

3.6.3 Delivery of Policies and Receipts for Premiums. Lessee shall deliver to Lessor copies of each such insurance policy (or a certificate of insurance relating thereto) upon the execution hereof and copies of each renewal policy (or a certificate or other evidence of insurance relating thereto) prior to the expiration of the original policy or preceding renewal policy, as the case may be (provided, however, that Lessee shall notify Lessor in writing of the status of such insurance thirty (30) days prior to the expiration thereof in the event it has not then delivered to Lessor a renewal policy, or a certificate or other evidence of insurance relating thereto),

and Lessee shall deliver to Lessor receipts or other evidence that the premiums thereon have been paid if reasonably requested by Lessor.

3.7 Indemnity. Lessee agrees to indemnify and hold harmless Lessor, from and against any and all claims of whatsoever kind and nature accruing during the time of this Agreement, (including but not limited to claims arising out of injury or death to or of persons and damage to property, but excluding claims arising out of the negligence of Lessor), and all costs, expenses, damages, losses and liabilities whatsoever incurred or suffered by Lessor in connection therewith (including fees and expenses of counsel), as a result of, or incident to:

(a) the purchase, ownership, management, control, use, operation or storage of the Equipment, or any part thereof;

(b) any defect in the Equipment; or

(c) the use in or about the construction or operation of the Equipment of any design, article or material which infringes, or is claimed to infringe on, any patent or other right.

(d) the failure to comply with any laws of the jurisdiction in which the Units may be operated, with the interchange rules of the Association of American Railroads or with all lawful rules of the Department of Transportation or the Interstate Commerce Commission or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Hulks or reconstruction thereof or over the Units.

The covenant of indemnity contained in this Section 3.7 shall continue in full force and effect notwithstanding the full payment of all amounts due hereunder or the termination of this Agreement in any manner whatsoever.

The Lessee's obligations under the indemnities provided for in this Agreement shall be those of a primary obligor regardless of whether the Lessor shall also be indemnified with respect to the same matter under the terms of any other document or instrument, and the Lessor may proceed directly against the Lessee without first seeking to enforce any other right of indemnification. Upon the payment in full by the Lessee of any indemnity provided for under this Agreement, the Lessee shall be subrogated to any right of the Lessor in respect of the matter as to which such indemnity was paid.

3.8 Inspection. Lessee shall permit any person designated by Lessor, at Lessor's expense, to visit and inspect the Equipment, or any part thereof, at such reasonable times and places and as often as Lessor may reasonably request.

3.9 Possession; Assignment; Pledge. Lessee shall not, without the prior written consent of Lessor:

(a) sublease, hire out or otherwise transfer or part with the possession, control or custody of the Equipment, or any part thereof;

(b) assign this Agreement or its interests hereunder;
or

(c) create, incur or suffer to exist any mortgage, pledge, lien, encumbrance or charge on, or adverse claim with respect to, the Equipment, or any part thereof, or its interest therein, by, through or under Lessee.

3.10 Identification. Lessee shall, at its own cost and expense, cause each side of each Unit to be legibly, plainly, distinctly, permanently and conspicuously marked in letters not less than one (1) inch in height, with the name and address of Lessor followed by the words "Owner and Lessor" or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of Lessor to such Unit and the rights of Lessor under this Lease. Lessee shall not remove or deface, or permit to be removed or defaced, any such plate, disc or other marking or the identifying manufacturer's serial number with respect to such Unit, and, in the event of any such removal or defacement, Lessee shall promptly cause such plate, disc, other marking or serial number to be replaced. Lessee shall not allow the name of any person, association or corporation to be placed on any Unit in any manner that might be interpreted as a claim of ownership; provided, however, that Lessee may cause the Equipment to be lettered with the name or initials or other insignia customarily used by Lessee on equipment used by it of the same or a similar type as the Equipment for convenience of identification of its rights to use the Equipment as permitted under this Agreement.

3.11 Equipment to be Personal Property. It is expressly understood that all the Equipment shall be and remain personal property notwithstanding the manner in which the same may be attached or affixed to realty, and Lessee shall do all acts and enter into all agreements necessary to insure that the Equipment remains personal property.

3.12 Financial and Other Statements.

3.12.1 Financial Statements. Lessee shall furnish to Lessor within 120 days after the end of each of its fiscal years, a complete conformed copy prepared in accordance with generally accepted accounting principles of an executed report of an examination of its financial affairs, such report to include a balance sheet and a statement of profit and loss for such year in the same detail as hereintofore furnished to Lessor and an unqualified opinion to the effect that such balance sheet and statement of profit and loss fairly represent the financial condition of Lessee and the results of its operations in conformance with generally accepted accounting principles applied on a consistent basis, except as may be described in such opinion.

Any financial statement furnished pursuant to this Section 3.12.1 may be a consolidated statement (i.e., consolidate the financial information with respect to Lessee with that of its consolidated subsidiaries, if any).

IV. DEFAULT AND REMEDIES

4.1 Events of Default. The occurrence of any of the following shall constitute an Event of Default hereunder:

4.1.1 Default in Payment. Lessee shall fail to pay all or any part of a rental or other payment hereunder when and as the same shall become due and payable, and shall continue to fail to do so for a period of ten (10) days after written notice thereof by Lessor to Lessee.

4.1.2 Breach of Warranty. Any representation or warranty made in this Agreement, or in any report, certificate, financial statement or other statement furnished pursuant to the provisions of this Agreement, shall prove to have been false or misleading in any material respect as of the date on which the same was made.

4.1.3 Breach of Covenant. Lessee shall fail to duly observe or perform any covenant, condition or agreement made by it hereunder or under any other agreement between Lessor and Lessee, and shall continue to fail to observe or perform the same for a period of thirty (30) days after written notice thereof by Lessor to Lessee.

4.1.4 Judgment. A Judgment for the payment of monies in excess of \$5,000,000 shall be rendered against Lessee and shall remain undischarged for a period of thirty (30) days during which period execution shall not be effectively stayed.

4.1.5 Attachment. An attachment or other lien against the property of Lessee for an amount in excess of \$5,000,000 shall

be issued or entered and shall remain undischarged or unbonded for thirty (30) days.

4.1.6 Bankruptcy, Receivership, Insolvency, etc.

Lessee shall commit an act of bankruptcy within the meaning of the Federal Bankruptcy Act, as the same may be amended from time to time; or bankruptcy, receivership, insolvency, reorganization, dissolution, liquidation or other similar proceedings shall be instituted by or against Lessee or all or any part of its property under the Federal Bankruptcy Act or other law of the United States or of any state or other competent jurisdiction, and, if against Lessee, it shall consent thereto or shall fail to cause the same to be discharged within thirty (30) days.

4.1.7 Default Under Other Loan Agreements. Any

indebtedness now or hereafter owing by Lessee, for borrowed money under Lessee's major long term loan agreement(s) shall not be paid when due and payable, whether at the due date thereof or at a date fixed for prepayment or upon the acceleration of the maturity thereof or otherwise. For the purposes of this subsection 4.1.7, the phrase "major long term agreement(s)" shall be deemed to mean Lessee's largest monetary obligation(s) owing to a financial institution (banks or insurance companies), the last installment of which would not be due and payable before a year's period shall have elapsed following any takedown of funds thereunder.

4.2 Remedies. If an Event of Default hereunder shall occur and be continuing, Lessor may exercise any one or more of the following remedies:

4.2.1 Termination of Agreement. Terminate this Agreement and Lessee's rights hereunder.

4.2.2 Specific Performance or Damages. Proceed, by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Agreement or to recover damages for the breach thereof.

4.2.3 Repossession. Subject always to any mandatory requirements of applicable law then in effect:

(a) personally, or by agents or attorneys, retake possession of the Equipment, or any Unit, from Lessee (and any items in or on the Equipment at the time of repossession, wherever such items may be, which items shall be held in storage for Lessee, at Lessee's expense, without liability on the part of Lessor), with or without notice, ~~hearing~~ ^{quarterly} or process of law, without liability to return to Lessee any ~~Rental~~ ^{quarterly} Payment or other payments theretofore made and free from all claims made by Lessee, and for that purpose Lessor may enter upon Lessee's premises where any of the Equipment is located, remove the same without liability for suit, action or proceeding by Lessee and, use in connection with such removal any and all services, supplies, aids and other facilities of Lessee; or

(b) retake possession of the Equipment, or any Unit thereof, without liability to return to Lessee any

quarterly rental
~~Rental~~ Payment or other payments theretofore made and free from all claims by Lessee, by directing Lessee in writing to assemble the Equipment and deliver the same to Lessor at Chicago, Illinois, in which event Lessee shall at its own expense forthwith cause the same to be moved to the place or places so designated and there delivered to Lessor; it being understood (i) that Lessee's obligations so to deliver the Equipment is of the essence of this Agreement and that, accordingly, upon application to a court of equity having jurisdiction, Lessor shall be entitled to a decree requiring specific performance by Lessee of such obligations; and (ii) that Lessor may, without charge, pending further action by Lessor as hereinafter in this Article IV provided, keep any of the Equipment repossessed by Lessor pursuant to this clause on the premises of Lessee; provided, however, that if the storage of the Equipment thereon materially interferes with the efficient operation of such premises the Equipment shall be removed to and stored (at the expense of Lessee) at any other location mutually agreed upon by Lessor and Lessee.

(c) without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 4.2.3, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney-in-fact of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor,

to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

4.2.4 Other. Exercise any other remedy specifically granted hereunder or now or hereafter existing in equity, at law, by virtue of statute or otherwise.

4.3 Disposition of Equipment. In the event Lessor repossesses the Equipment, Lessor thereafter may (a) lease the Equipment, or any portion thereof, in such manner, for such time and upon such terms as Lessor may determine, or (b) sell the Equipment, or any portion thereof, at one or more public or private sales, in such manner at such time or times and upon such terms as Lessor may determine.

4.3.1 Lease. In the event that Lessor shall enter into a lease or leases of any Units, the rentals received by Lessor in connection therewith for the Remaining Lease Terms respectively applicable to such Units shall be applied to the payment of (i) any and all expenses and fees (including reasonable attorneys' fees) incurred by Lessor in retaking possession of, and removing, storing and leasing such Units, (ii) the costs and expenses incurred by Lessor in repairing the same, (iii) the ^{rental} quarterly payments then remaining unpaid under this Agreement, and (iv) any and all other sums then owing to Lessor by Lessee hereunder. The remaining balance of such rentals, if any, and the rentals received by Lessor under any lease of any such Unit

for the period commencing after the expiration of the Remaining Lease Term applicable to such Unit, shall be retained by Lessor. Lessee shall remain liable to Lessor to the extent that the aggregate amount of the sums referred to in clauses (i) through (iv) above shall exceed the aggregate rentals received by Lessor under such leases for the respective Remaining Lease Terms applicable to the Units covered by such leases. The Remaining Lease Term with respect to any Unit shall mean the period ending on the date on which the term of lease of such Unit under this Agreement would have terminated if an Event of Default hereunder had not occurred.

4.3.2 Sale. In the event that Lessor shall sell or otherwise dispose of (other than pursuant to a lease) any Unit, the proceeds shall be applied to the payment of (i) any and all expenses and fees (including reasonable attorneys' fees) incurred by Lessor in retaking possession of, and removing, storing and selling or otherwise disposing of such Unit, (ii) the costs and expenses incurred by Lessor in repairing the same, (iii) the quarterly rentals ^{payments} accrued under this Agreement but unpaid up to the time of such sale or other disposition, (iv) any and all other sums (other than quarterly rentals then owing to Lessor by Lessee hereunder and (v) the Stipulated Loss Value of the Equipment determined as of the date of such sale or other disposition in accordance with Schedule C attached hereto. The remaining balance of such proceeds, if any, shall be retained by Lessor.

Lessee shall remain liable to Lessor to the extent that the aggregate amount of the sums referred to in clauses (i) through (v) above shall exceed the aggregate proceeds received by Lessor in connection with the sale or disposition of the Equipment.

V. RENEWAL OPTION; RETURN OF EQUIPMENT

5.1 Renewal Option. So long as no Event of Default (or event which would constitute an Event of Default but for the lapse of time or the giving of notice or both) shall have occurred and be continuing, by written notice specifying the Base Rent being offered and, delivered to Lessor not less than ninety (90) days prior to the expiration of the first term of lease hereunder to expire, Lessee may extend the term of lease hereof beyond December 31, 1984 as set forth in Section 1.2 hereof, as to all of the Equipment, and nothing less than all of the Equipment, for as many consecutive one (1) year periods as Lessee shall specify in such written notice to Lessor. It is hereby agreed, however, that all of the terms and conditions set forth in this Agreement shall apply during any such extension of the original term of lease, except that the amount of the Base Rent shall be equal to the then fair rental value of the Equipment. If in Lessor's reasonable opinion, the Base Rent so specified in such written notice, does not equal the then fair rental value of the Equipment, then Lessor and Lessee shall have the fair rental value of the Equipment determined by an independent appraiser satisfactory to Lessee and Lessor (or,

if Lessee and Lessor are unable to agree upon an appraiser, by a panel of three appraisers, one of whom shall be selected by Lessor, another of whom shall be selected by Lessee and the third of whom shall be selected by the other two, or by the senior judge of the Federal District Court for the Northern District Eastern Division of Illinois, if such other two appraisers are unable to agree upon a third). Following such appraisal, Lessee shall, subject to the provisions of this Section 5.1, lease the Equipment for its fair rental value (as determined) as provided above. Lessor and Lessee shall each pay one-half of the cost of any appraisal made pursuant to this Section 5.1.

5.2 Return of Equipment. Upon the expiration of the term of lease with respect to any Unit, other than pursuant to Article IV hereof, Lessee shall, at its own expense, return such Unit by delivering the same to Lessor at Chicago, Illinois. At the time of such return such Unit shall be free and clear of all liens, encumbrances and rights of others and shall be in as good condition as when delivered to Lessee hereunder, and Lessee shall have paid the cost of any repairs necessary to restore such Unit to such condition, ordinary wear and tear excepted. Thereafter, Lessee shall have no further interest in such Unit, and Lessor may keep such Unit or sell, lease or otherwise dispose of such Unit and collect and retain all proceeds received in connection therewith. Notwithstanding anything to the contrary in the foregoing, Lessee shall return any such Unit to another

location (other than Chicago, Illinois), provided that Lessor shall have furnished Lessee with reasonable notice in writing thereof and provided further, that the expenses of so returning such Unit to such a location, would not be greater than the expenses to be incurred in returning the same to Chicago.

VI. MISCELLANEOUS

6.1 Deleted.

6.2 Performance of Lessee's Obligations. If Lessee shall fail to make payment or perform any act required by this Agreement, Lessor may, but shall not be obligated to, make such payment or perform such act for the account of and at the expense of Lessee, without notice to or demand upon Lessee and without waiving or releasing any obligation or default. Lessee shall indemnify and hold harmless Lessor from and against all losses and expenses (including, but not limited to, attorneys' fees) suffered or incurred by Lessor by reason of any acts performed by it pursuant to this Section 6.2; and Lessee shall pay to Lessor, upon demand, all sums expended by Lessor pursuant to this Section 6.2 or with respect to which it shall be entitled to be indemnified, plus interest thereon, at the rate of ten percent (10%) per annum, from the date on which such sums are expended by Lessor to the date on which Lessee pays the same to Lessor.

6.3 Further Assurances. Lessee agrees that at any time and from time to time, after the execution and delivery of this Agreement, it shall, upon request of Lessor, execute and deliver

such further documents and do such further acts and things as Lessor may reasonably request in order fully to effect the purposes of this Agreement, including but not limited to, any and all information necessary which Lessee has available to it, to enable Lessor to properly complete and file any and all state or political subdivision thereof income tax returns in connection herewith. It is hereby agreed that Lessee will cause this Lease and any assignment hereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20(c) of the Interstate Commerce Act. Without limiting the generality of the foregoing, Lessee shall cause this Agreement to be kept, and/or any UCC-1's to be filed and recorded in such places as Lessor may reasonably request in order to perfect and preserve Lessor's rights hereunder.

6.4 Rights, Remedies, Powers. Each and every right, remedy and power granted to Lessor hereunder shall not be exclusive but shall be cumulative and in addition to any other right, remedy or power herein specifically granted or now or hereafter existing in equity, at law, by virtue of statute or otherwise and may be exercised by Lessor from time to time concurrently or independently and as often and in such order as Lessor may deem expedient. Any failure or delay on the part of Lessor in exercising any such right, remedy or power, or abandonment or discontinuance of steps to enforce the same, shall not operate as a waiver thereof or affect Lessor's right thereafter to exercise the same, and any single or partial exercise of any

such right, remedy or power shall not preclude any other or further exercise thereof or the exercise of any other right, remedy or power. In the event Lessor shall have proceeded to enforce any such right, remedy or power and such proceeding shall have been determined adversely to Lessor, then in such event Lessee and Lessor shall be restored to their former positions and the rights, remedies and powers of Lessor shall continue as if no such proceeding had been taken.

6.5 Modification, Waiver, Consent. Any modification or waiver of any provision of this Agreement, or any consent to any departure by Lessee therefrom, shall not be effective only in the specific instance and for the specific purpose given. Any notice to or demand on Lessee in any event not specifically required of Lessor hereunder shall not entitle Lessee to any other or further notice or demand in the same, similar or other circumstances unless specifically required hereunder.

6.6 Communications. Any notice, request, demand, consent, approval or other communication provided or permitted hereunder shall be in writing and be given by personal delivery or sent by United States first class mail, postage prepaid, addressed as follows:

(a) if to Lessor: American Fletcher Leasing Corporation
100 South Wacker Drive
Chicago, Illinois 60606

Attention: General Counsel
Vice President-Operations

(b) if to Lessee: Green Bay and Western Railroad Company
Green Bay, Wisconsin

Attention: Vice President-Operations

provided, however, that either party may change its address for purposes of receipt of any such communication by giving ten (10) days' written notice of such change to the other party in the manner above prescribed.

6.7 Section Headings, etc. Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement. All references herein to sections, paragraphs, clauses and other subdivisions refer to the corresponding sections, paragraphs, clauses and other subdivisions of this Agreement; and the words "herein", "hereof", "hereby", "hereunder", and words of similar import refer to this Agreement as a whole and not to any particular section, paragraph, clause or other subdivision hereof.

6.8 Governing Law. This Agreement shall be deemed to have been made under and shall be governed by, the laws of the State of Illinois in all respects, including matters of construction, validity and performance.

6.9 Severability. If any provision of this Agreement is prohibited by, or is unlawful or unenforceable under, any applicable law of any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof; provided, however, that any such prohibition in any jurisdiction shall not invalidate such provision in any other jurisdiction; and provided further, that where the provisions

of any such applicable law may be waived, they hereby are waived by Lessee to the full extent permitted by law to the end that this Agreement shall be deemed to be a valid and binding agreement in accordance with its terms.

6.10 Assignment. Lessor, or any assignee of Lessor, may at any time, without notice to or consent by Lessee, sell, assign, transfer or mortgage or otherwise encumber its interest under this Agreement or in the Equipment, subject to the terms of this Agreement and the rights of Lessee hereunder, and upon receipt of written notice of any such assignment, Lessee shall recognize such assignment subject to the rights of Lessee against Lessor hereunder. No assignment or reassignment shall release Lessor from its obligations to Lessee under this Agreement. Lessor agrees to deliver to Lessee a copy of each agreement evidencing any such sale, assignment, transfer, mortgage or other encumbrance, or the portion thereof which effects compliance with the provisions of this Section 6.10, as soon as practicable after the execution and delivery thereof.

6.11 Use of Equipment Beyond Lease Term. If Lessor permits the use of any Unit beyond the term of lease with respect thereto, the obligations of Lessee hereunder shall continue; provided, however, that such permissive use shall not be construed as a renewal of such term of lease nor as a waiver

of any right or continuation of any obligation of Lessor hereunder, and Lessor may take possession of such Unit at any time upon demand.

6.12 Entire Agreement. This Agreement contains the entire agreement between Lessor and Lessee with respect to the subject matter hereof and supersedes and cancels any prior understandings and agreements between Lessor and Lessee with respect thereto.

6.13 Binding Effect. This Agreement, subject to the provisions of Section 3.9 hereof, shall be binding upon and shall inure to the benefit of the respective successors and assigns of Lessee and Lessor.

6.14 Counterparts. This Agreement may be executed in counterparts, and each such counterpart shall, for all purposes, constitute one agreement binding on the parties hereto, notwithstanding that both parties are not signatory in the same counterpart.

6.15 Survival. The representations, warranties, indemnities and agreements of the Lessee provided for in this Agreement, and the Lessee's obligations under any and all

thereof, shall survive the delivery of the Equipment and, the expiration or other termination of this Agreement.

IN WITNESS WHEREOF, Lessor and Lessee have executed this EQUIPMENT LEASE AGREEMENT.

Attest:

James E. [Signature]

AMERICAN FLETCHER LEASING CORPORATION
(Lessor)

By

W. J. R. [Signature]
Vice Pres

Attest:

Robert L. Leech

By

GREEN BAY AND WESTERN RAILROAD COMPANY
(Lessee)
[Signature]

STATE OF WISCONSIN)
) SS.
COUNTY OF BROWN)

ON THIS 24th day of April, 1974, before me personally appeared H. Weldon McGee, to me personally known, who being by me duly sworn, says that he is the President of Green Bay and Western Railroad Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Francis L. Craig

My commission expires:

FRANCIS L. REISALD
NOTARY PUBLIC STATE OF VIRGINIA
My Commission Expires Oct. 12, 1975

STATE OF WISCONSIN)
) SS.
COUNTY OF BROWN)

ON THIS 24th day of April, 1974, before me personally
appeared Theodore J. Rogenski,
to me personally known, who being by me duly sworn, says that
he is the Vice-President of American Fletcher
Leasing Corporation, that said instrument was signed on behalf
of said corporation by authority of its Board of Directors,
and he acknowledged that the execution of the foregoing
instrument was the free act and deed of said corporation.

Frederic L. Brand

My commission expires:

~~NOTARY PUBLIC STATE OF WISCONSIN~~
My Commission Expires Oct. 12, 1975

SCHEDULE A

to

Equipment Lease Agreement dated as of April 14, 1974

between

American Fletcher Leasing Corporation (Lessor)

and

Green Bay and Western Railroad Company (Lessee)

DESCRIPTION OF EQUIPMENT

The Equipment covered by the Equipment Lease Agreement identified above is as follows:

<u>Quantity</u>	<u>Unit Description</u>	<u>Supplier</u>	<u>Purchase Order No.</u>
200	50-foot 55-ton steel sheathed cars to be reconstructed by Chicago Freight Car Company, in accordance with certain specifications and said cars will have 8-foot sliding doors and 25,000-lb. fork lift capacity.	Chicago Freight Car Company	417

A handwritten signature in dark ink, appearing to be 'BDM' followed by a large, stylized flourish or checkmark.

_____, 1974

SCHEDULE B
SUPPLEMENT NO. _____

to

Equipment Lease Agreement dated as of April 24, 1974

between

American Fletcher Leasing Corporation (Lessor)

and

Green Bay and Western Railroad Company (Lessee)

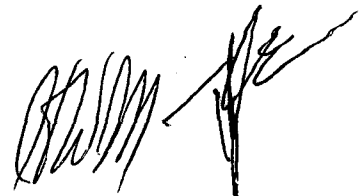
Lessee and Lessor have entered into the Equipment Lease Agreement identified above (hereinafter called the Lease) pursuant to which Lessor has agreed to lease unto Lessee, and Lessee has agreed to lease from Lessor, subject to the terms and conditions of the Lease, the Units of property described in the Supplements thereto.

NOW, THEREFORE, Lessor and Lessee, by entering into this Supplement to the Lease, hereby confirm as follows:

1. Units. The Units described in Exhibit A hereto (hereinafter called the Units) have been delivered and leased by Lessor to Lessee, and have been accepted by Lessee, pursuant to the terms of the Lease.

2. Lease Term.

(a) The date of commencement of the term of lease with respect to the Units is _____.

A handwritten signature in dark ink, appearing to be a stylized name, located in the bottom right corner of the document.

(b) The date of termination of such term, subject to the provisions of Sections 3.5 and 4.2 of the Lease, is December 31, 1984.

3. Rental Payments.

3.1 Base Quarterly Rent. Lessee covenants and agrees to pay to the Lessor (i) two (2) interim rent payments, payable on September 30, 1974 and December 31, 1974, and (ii) as rental for each Unit hereunder forty (40) consecutive quarter-annual payments, each of which shall be payable on December 31, March 31, June 30 and September 31 in each year, commencing March 31, 1975, provided, however, that if any of the payment dates referred to above is not a business day, the payment shall be payable on the next succeeding business day. The interim rent payment shall be in an amount equal to \$_____ for each day elapsed from and including the date all Units hereunder are delivered to and accepted by the Lessee to and including December 31, 1974. The first ten (10) quarter-annual payments commencing on March 31, 1975, for all units hereunder shall be in an amount equal to \$_____. The next twenty (20) quarter-annual payments commencing on September 30, 1977, for all units hereunder shall each be in an amount equal to \$_____. The last ten (10) quarter-annual payments commencing on September 30, 1982, for all units hereunder shall each be in an amount equal to \$_____.

3.2 Additional Rent.

(a) Lessee agrees that in the event Lessor shall not be entitled to use an accelerated method of depreciation with respect to all of the Units for Federal income tax purposes, which among other requirements shall include being the first user thereof (as that term is used in Section 167(c) of the Internal Revenue Code of 1954), the rental each month for each Unit as to which Lessor shall not be entitled to use such method shall be increased, as provided in subsection 1.3.2(a) of the Lease, and, in addition, Lessee shall pay to Lessor interest on the additional rental as provided in subsection 1.3.2(a) of the Lease.

(b) Lessee agrees that in the event Lessor shall not be entitled to use the benefits of the Investment Tax Credit of the Internal Revenue Code of 1954 for "new section 38 property", with respect to all of the Units, the rental each month for each Unit as to which Lessor shall not be entitled to use such benefits shall be increased, as provided in subsection 1.3.2(b) of the Lease, and, in addition, Lessee shall pay to Lessor interest on the additional rental as provided in subsection 1.3.2(b) of the Lease.

AMERICAN FLETCHER LEASING CORPORATION
(Lessor)

By _____

GREEN BAY AND WESTERN RAILROAD COMPANY
(Lessee)

By _____

Exhibit A to Supplement No. _____
to Equipment Lease Agreement dated as of April 24, 1974
between American Fletcher Leasing Corporation (Lessor)
and Green Bay and Western Railroad Company (Lessee)

<u>QUANTITY</u>	<u>UNIT DESCRIPTION</u>	<u>ORIGINAL COST</u> <u>(of each Unit)</u>
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The aggregate original cost of the Units described in this
Exhibit A is \$

Initials
Date

SCHEDULE C

to

Equipment Lease Agreement dated as of April 24, 1974

between

American Fletcher Leasing Corporation (Lessor)

and

Green Bay and Western Railroad Company (Lessee)

STIPULATED LOSS VALUES

The Stipulated Loss Value of a Unit of the Equipment covered by the Equipment Lease Agreement identified above, as of any date, shall be an amount equal to the product of (i) the original cost of such Unit (as specified in the Supplement to such Agreement covering such Unit) and (ii) the percentage indicated below opposite the period of time into which such date falls.

<u>PERIOD OF TERM OF LEASE</u>	<u>PERCENTAGE</u>
1st Quarter	100.300
2nd Quarter	98.807
3rd Quarter	97.218
4th Quarter	95.532
5th Quarter	93.751
6th Quarter	91.874
7th Quarter	89.901
8th Quarter	87.832
9th Quarter	85.667
10th Quarter	83.406
11th Quarter	81.049
12th Quarter	79.833
13th Quarter	74.034
14th Quarter	72.626
15th Quarter	71.122
16th Quarter	69.523
17th Quarter	67.827



<u>PERIOD OF TERM OF LEASE</u>	<u>PERCENTAGE</u>
18th Quarter	66.036
19th Quarter	64.148
20th Quarter	62.165
21st Quarter	55.598
22nd Quarter	53.423
23rd Quarter	51.151
24th Quarter	48.784
25th Quarter	46.321
26th Quarter	43.762
27th Quarter	41.107
28th Quarter	38.356
29th Quarter	31.022
30th Quarter	28.090
31st Quarter	25.097
32nd Quarter	24.366
33rd Quarter	23.573
34th Quarter	22.719
35th Quarter	21.802
36th Quarter	20.824
37th Quarter	19.783
38th Quarter	18.680
39th Quarter	17.516
40th Quarter	16.289

After December 31, 1984, and until such time that such Unit has been surrendered to Lessor, as set forth in the Lease, the Stipulated Loss Value of such Unit shall be fifteen percent (15%) of the original cost thereof.